IMPORTANT FROM MEXICO.

Arrival of Gen. Prim and the French and English Fleets at Vera Cruz.

An American Vessel with Arms on Board Seized by the Spaniards.

The Rebel Commissioner and His Operations.

The French and English Flags Ordered to be Hoisted,

Our Havana Correspondence.

HAVANA, Jan. 18, 1862. Latest from Vera Crus—What Both Sides are Doing— Arrangement of the Three Flags—The French and Spa-wish Troops Reviewed—Speech by General Prim—Scarcity of Provisions—Seisure of the Beautiful Star—Her Bri-

ticle of excitement of any kind, either in politics or busi the steamer Velasco—arrived on Wednesday night, with es from Vera Cruz to the 10th inst.-contains nothing of interest beyond the safe arrival at that city, on the evening of the 7th, of General Prim, together with that of the British squadron, which, according to some accounts, anchored in Sacrificios on the same day. Other etters speak only of the French, and do not say a word about the British. There have been rumors of bloody doings over there; but if there be any truth in them the papers here keep us completely unenlightened. They admit that "one or two individuals" have been carried anding General to scour the country for a certain se around the city of Vera Cruz. General Gesect, In fact, did make a reconnoissance in person at the head of all the disposable forces under his orders, say three or papers, without " any incident." Rumor, however, save e was caught in an ambuscade, lost a great many of his men, and had to retire in hot haste. This and similar rumors are based upon private letters said to have been received frem there. It may be all true; for the Mexicans will fight, notwithstanding that the go-vernment is very much embarrassed for want money and other resources necessary to carry on war, seral Prim held a review immediately after his aroutside the walls, to make room for the French and Eng lish troops within the city. It is a very curious circum. stance, and worthy of remark, that the French and British flags were not hoisted at Vera Cruz till the Brivarious flags is also worth noticing:-"In conformity with the arrangement in the agreement made between Spain, France and England, and according to the orders gasued to that offect, since yesterday, the 6th inst., the tie, that of France in the centre, the Spanish on the left, and the British on the right." The Spaniards here expected their flag would occupy the chief position—which -and are furious to find themselves in the lowest rank. But who issued the order to hoist those flags on the 6th? I think there is plain evidence there of 'higher law," and it was certainly very ridiculous and ill-advised conduct in the Spaniards to defer complying with their known duty to their allies till probably some French or British officer recommended the issuing of that

Perhaps I had better give the following letter, which appears in this morning's Diario, dated

Vera Carz, Jan. 10, 1862.

Day before yesterday, at half-past eleven o'clock in the forencon, his Excellency the Count de Reus disembarked in the midst of a numerous assemblage collected on the wharf, under a burning sun. Scarcely had his Excellency landed, with his suite, and received a welcome from General Gasset, when all mounted their horses and proceeded, following the route taken by the troops, to the dwolling house prepared for the Commander-in-Chief, situated in the principal street. Subsequently, all the troops being assembled in the Custom House square, a parade was held, which was witnessed by the here of Castillejos, accompanied by his entire staff, from the balcoay of his dwolling. Shortly afterwards, all the chiefs and officers being assembled in his house, they had the pleasure of hearing an eloquent discourse, in which his Excellency, in plain but emergetic language, declared the great pleasure he felt on finding himself at the head of so brilliant emergetic language, declared the great pleasure he felt on finding himself at the head of so brilliant a division, and his gratification at their humane and fratterablehaviour towards the neighborhood, since the mission of the army in this city was not that of war, unless the Mexican people should turn a deaf ear to the justice, reson and generous sentiments which the Spanish nation cherishes towards those who were once her children and whom she now considers as brothers. The words of the General moved more than one listener.

The French squadron for the last three days has been discubarking troops, munitions, provisions, artillery, &c.;

The French squadron for the last three days has been disembarking troops, munitions, provisions, artillery, &c.; for, luckily, the sea permits it—a rare thing on these coasts and at this season of the year. Yesterday, at nine in the morning, the battalion of French Zouaves landed, and were accompanied to their quarters by Brigadier General Vargas, at the head of two battalions of the Stamish division, with their respective bands. The Algerine dress of those soldiers, whose deeds of valor have made them universally known, attracted much attention, especially from the fair sex.

In the evening the French forces tad a grand parade, being reviewed on the high ground of Los Hornos by the General-in-Chief—to witness which military duty there was collected a numerous crowd of all classes and several French officers, who do not hesitate to declare, with all frankness, that our army rivals theirs. At night the bands gave their performances in the houses of the French and English Consuls, and in that of the General-in-Chief.

Chief.

It is proposed that a part of the division should make
an excursion in the neighborhood, in order to drive away
the gnerrilla parties and open a way to the city for beef

The Cronica, a paper published in Vera Cruz by officers of the expedition, gives the following extract from the speech of General Prim:-We have not come to this country either to rule or conquer; we have come to demand satisfaction for past insults and to obtain guarantees for the future. I believe that the Mexicans, convinced of our loyal and just intentions, will not oppose us with arms; but if they should, they alone will be responsible for the consequences, and we shall have the satisfaction of having acted in compliance with our duty and our conscience. In that case, rely-ing on your valor and the justice of the cause midst of danger, in order to point out the path of glory,

The same paper says:-Correspondents of various papers have come to Vera Cruz from New York, New Orleans and other points of the United States, and even from some of the European capitals, in order to give an

at famine point. A tomato no larger than a pigeon's egg many necessaries cannot be had at any price; yet the Spaniards say that many families are returning to the city. How an opera or theatrical company can pay there at such a time is more than I can imagine. However, bard time, I think. Max Maretzek has just concluded his

Two vessels, the Beautiful Star, American, and the bark Puebla, probably Mexican, have been seized at Vera Cruzhad 4,000 muskets, a case of percussion caps and about three hundred pounds of powder on board. Can goods and ressels be seized if war be not formally declared? It is only during war that military effects are all intents and purposes there is none. Therefore the Spaniards had no right to seize those goods.

I do not find a word said about the doings of the English fleet. If the English troops had been landed we should have had some news of it.

Majesty's ship-of-the-line Conqueror, 100 guns, went ashore on Rum Cay, some seventy or eighty miles from Nassau. Why did they call that place Rum Cay? How unpleasant to an Englishman, the reflection that the

on a place bearing so suspicious a name. The news of the occurrence was brought by an English steamer, which was despatched here for assistance, and I am happy to have to record that Consul Schufeldt and Captain Ridgeley, of the United States steamer Santiago de Cuba, immediately waited upon the British Consul General, for the purpose of tendering the services of that steamer, the only United States vessel then in port. sul Crawford received his visiters very cordially, and said he would gladly avail himself of the proffered assistance if he thought it could do any good; but he feared it de Cuba could reach the scene of the accident, the Con-queror would be either entirely safe or a complete wreck. The offer was therefore declined, and I have heard nothing

of her Britannic Majesty's ship Conqueror since, except what a Nassau letter in to-day's Diario de la Marina says. Speaking of these matters reminds me that we came very near having a second edition of the Mason and Sli-dell affair on the occasion of the last departure of the Karnak from this port. She had on board several Southerners, among others the captain of the Ella Warley, formerly the Isabel, then at Nas-sau, and the former captain of the Webster, who succeeded in getting out of Havana some months ago under peculiar circumstances. It was decided to ingly to board the Karnak at sea; but the arrival of the in England, spoiled the game, which was abandoned rather than add more fuel to the fire. I have heard that the Ella Warley has since arrived at Charleston, notwithsta the vigilance of the blockading squadron above, and the

Our Vera Cruz Correspondence.

The City in Possession of the Spaniards—First Appearance of the Foreign Fleet—Its Arrival in Port—Landing of een Isabella's Admiral, His Demand for Possessing an the Surrender—Organization of a New Government by the Spaniards, and Rules for the Collection of the Customs— The Land and Naval Forcet—The Invaders in a Danger ous Position-Extensive and Well-Defined Plan for Oppo sition by the Mexicans-Trade Annihilated-The South Rebel Commissioner in Town and Trade with the Rebel ficial Discourtesy—Miramon on His Way Home—Outrage on a French Officer—The Church Party Leaders to Support the Government in the Present National Crisis, dc.

This usually quiet little city is at present quite lively, asioned by the occupation of it by the advance fleet of

the Spanish expedition to Mexico, and the city is in full On the 8th of December twelve Spanish steamships the 10th fifteen more Spanish ships were signalized, all making for Anton Lizardo, some twenty miles to the southward of this city, and on the morning of the 14th the Spanish Admiral sent on abore two officers of the fleet,

allowed for a compliance with the demand. On the morning of the 17th a force of three hundred men were landed, and to the commander of this force the keys of the palace and other public buildings were given

and the city of Vera Cruz, and twenty-four hours were

by the President of the Common Council of this city. At twelve o'clock at noon the Spanish flag was hot on the Castle of San Juan de Ulles and the city, with all due ceremony, and Rafael Arias duly installed as Governor of the castle, with Carlos Verges as Spanish Governo of Vera Cruz, and Manuel Gasset General Commanding.

in which he says, the Spaniards have not come to Mexico or conquest, but to enferce the payment of claims against the Mexican government. On the same day the Secretary of General Gasset requested an interview with the subject of custom houses. During the interview it was agreed that for the present all vessels could discharge and deposit their cargoes in the warehouses, there to remain until otherwise ordered, unless articles of a perishable by giving a bond to the Collector for the duties, the bond to be approved by the convention above referred to, who stituted a commission for the inspection of the

of Customs and Deputy Collector.

Two weeks have been occupied in landing troops,

horses, oxen, provisions, guns, ammunition, &c. Up to the date of yesterday but two lighter loads of foreign merchandise has been landed, and as yet there is not one office in the city arranged. The landing of the troops is described by witnesses as a grand spectacle. Your correspondent was not in the city at the time.

The entire Spanish force here is six thousand men

with the following ships, which comprise the squadron Sailing Transports. Ureas, Santa Maria, Marigolante, Sunrise, and Nos. 2, 4, 6, 8, 10. Steamships of War. Frigates of War. Isabel de Catholica, Berenguela, Francis de Aris, Blanco. Pizarro, Petromila, Biasco de Paray, Princesa,

the treaty that the united forces of England, France and Spain were to proceed together to Vera Cruz. The Spaniards have acted rather premature; and, judging from their actions, they are slightly of the same opinion. The troops confine themselves within the walls of the city, and dare not venture a mile outside the gates. The Mexican government are ready and willing to treat with the English and French, but they will fight the are making very extensive preparations in the interior to neet the invaders of their way to the capital.

After it was asce tained in November that there could not be any arrangement effected between city of Mexico; the French Minister, Dubois de Saligmi, and the Mexican Congress, orders were immediately given to dismantle the castle of San Juan de Ulua and the city of Vera Cruz; all the mules and wagons on the road between Vera Oruz and the city of Mexico were embargoed and sent here for the purpose of transporting guns and ammunition of war into the interior, and on the 8th of December the Governor, Com mander of the Port, Postmaster and Collector, with seve ral Mexican families, retired to Jalapa, taking with them mules, carts, engines, cars, and indeed almost sacking the city, even taking the tongues from the bells of the cathedrais. The city is completely shut off from the interior, and all intercourse with the capital is at an end for the present. Our market is completely bare, and I assure you that articles such as fish, flesh and fowl are rapidly getting to be among the "things that were," and looks as if for the present those things will live but in the recollection of the few who are obliged to remain in this place. There will be much suffering among the poorer

here from the city of Mexico, to take command of the division of Mexicans of the oriente. The Mexican forces under Uraga and Saragosa are at Chiquibiute and Puente Nacional, and number ten thousand men.

Auriliano and Carbajal command some three thou, gand cavalry, which is much superior to that of the

our situation here. As yet no one knows what will be the result of this extraordinary expedition to this unfortunate country. As the natural consequence of such an event, there are a thousand reports affeat, but they are, as a general thing, not to be believed.

After assuming the command here, General Gasset sent a messenger to General Uraga, inquiring if he had anything to say. General Uraga replied that he had nothing; that as long as General Gasset confined his forces to the city of Vera Cruz no attack would be made upon him; but if he attempted to march into the interior ot a man of them would return. And if they do attempt it, they will find his words too true, as every one here knows perfectly well that, with no other force than the Spanish to deal with, they would clear their country of them in a very short time. Every one here is anxiously waiting the arrival of the French and English fleets, and are greatly surprised that England and France should a good many are inclined to believe that there is a "nigger in the fence" somewhere. However, I cannot anticipate anything, but state facts and things as they occur. I have nothing to say.

Venus is here, with a load of former city government; but an

cargo or pay him his freight money. He has been here two weeks, and as yet has been unable to do anything. Colonel J. T. Pickett, Commissioner from the Confede rate States of America (rebel), has taken up his abode at this place, after having been imprisoned two weeks in the city of Mexico for engaging in a street fight, and after his liberation he was obliged to leave the place. His nission in this country will soon end. Mr. Moran is also here, endeavoring to make arrangements for the publication of the Mexican Edvaordinary at this place. He was to have issued the first number to-day, but is a paper here, under the title of the Cronica. I will send you to-day's number. In my next letter I shall probably be able to give you a correct account of the condition o

things in the interior. I presume it would be useless to attempt to convinc the United States government of the necessity of an arms vessel in these waters; but were they aware of the amount of business, constant and uninterrupted, carried on between this place and certain Southern ports, they would certainly make an attempt to stop it. It mos certainly looks as if in taking care of our interests as now here two schooners that have run the blockade; one named the Matamoras, arrived here on the 4th of December, from Indianola, Texas, having on board one hundred and four bales of cotton. Not being able to dispose of her cargo at once, the captain called upon the Con ante of the Departmento Marina and requested that the schooner be allowed to receive the Mexican flag. Our Consul immediately protested against the proceeding and demanded the vessel's papers, which were delivered to him and which he still holds. The papers proved to be a license, which expired July 2, 1861, and an enrolment out. The Consul informed the Commandante that the papers were wholly void, and protested against the changing of the colors of the vessel, and also sent a protest to the Governor. The Governor replied that he had plied that he should send a statement of the case to the natter has stood until to-day, when the Governor sent in his reply to the protest, which I have seen and will send you a copy, and by it you will see that this government has concluded to allow the same rights and privileges to vessels from the South that they do those from the North. The captain of the schoone and Southern sympathizers here were highly indignant at the interference of the American Consul in the matter, and Colonel Pickett has made himself quite conspicuous the last few days in their behalf; but they all will pro bly be much pleased when they learn the decision of the

The other vessel arrived here a few days ago, withou flag or papers, and commenced discharging her cargo this morning, on board the French ship Maria. The schooner's name is J. W. McNeil. The price paid for the cotton was thirteen cents per pound. These are not rare occurrences in these parts, and some measures ought to be taken to

Before closing this letter I wish to mention a transaction that occurred at Havana on the day of the sailing of the ce in your columns. It is, and has been for a long time, the custom in making up mails in the United States for the republic of Mexico to have what are called despatch bags. These consist of two or three small bags taining mail matter and despatches from the depart ment at Washington for the American Legation at the city of Mexico ; these bags are separate from the general mail, although forwarded with them, and are marke direct to the Legation, in care of the Consul General at Hayana, a courier is immediately despatched to the city of five hundred dollars each trip. This alone will show you the importance of having the mails forwards and anxiety felt at the city for news from the States. The mails were brought to Havana by the Karnak, and delivered, with the despatch bags, to the Coned General as usual, who keeps them in his possession until the sail. Consul, to be delivered to the mail agent for this place. The mails were sent as usual on the 23d of December; the back, with the reply that they would not receive them at all on board the vessel. The late hour at which this was done left the Consul General no time to remonstrate, and he was obliged to open the bags and select a few of what he thought to be the most important of the contents and forward by private hands. The bags are still at Havana. This may is of vital importance to our Minister and American resi dents here. I have no remark to make on the subject, excepting that I think the act of the British Consul was

healthy. We have had several no thers lately, but no tomage has been done to the fleet.

You will see by the Cronica of to-day, sent you, tha General Miramon is on his way to this country.

The Secretary of the French Legation, De Lillen, on his

way to this city from Mexico, was attacked at Rio Frio by a band of robbers, stripped entirely naked, tied to a tree with ice under his feet, and kept there for an hour, when, after much persuasion, a pair of pants were given him,

have the news that, with the exception of Marquez and Zaloaga, all the leaders of the reactionary or church party have submitted to the Mexican government, and offered the forces of their separate commands for the pro be true, General Miramon will arrive a day after the

A large English frigate is coming into port, supposed to

A large English frigate is coming into port, supposed to be the force one of the fleet for this place.
Copy of the reply of the Spanish Governor to the protest of the American Consult.

Taking note of the protest of the 23d of this menth, to the Captain of the Port of the City of Vera Cruz, in order to grant you a permit to prevent the departure of the schooner Matamoras, which schooner salled from the South of the United Sales. After having consulted with the Sr. Commander in Chief of the navial forces of Her Catholic Majesty, and also the Sr. Auditor of War of this Division, they, with myself, have decided that:

Once having acknowledged the nationality of said schooner, not only by the roll (meaning register), but by the same protest and the very sevent her departure without falling to the she was admitted into this port by the previous authorities, and even despatched for her departure, there is no motive to prevent her departure without falling to the neutrality declared by the Government of Her Majesty, who has determined to grant equal rights to the ships coming from the North or South of the United States. I have therefore thought it convenient to resolve, in conformity with the approval of both, that we are not empowered nor can proceed to prevent the departure of said schooner Matamoras.

MANUEL GASSET.

Vera Cruz, December 31, 1961.

Newspaper Accounts.
[From the Cronica, Jan. 16.]
The Spanish war steamer Velasco, which sailed from era Cruz on the 10th, brought us interesting intelligence

Vera Cruz on the 10th, brought us interesting intelligence from that city.

All the troops of the Spanish army, according to these accounts, were enjoying excellent health. The city of Vera Cruz and its vicinity were in the enjoyment of the same health. The crews of the ships of war anchored in the harbors of Vera Cruz and Sacridoics were also free from every class of disease.

The British squadron arrived safely on the 6th in the harbor of Vera Cruz, and on the same evening there arrived the beautiful frigate Francisco de Asis, of her Catholic Majesty's navy, on board of which was General Prim, the Marquis of Castillejos, who was so impatiently expected by the Spanish soldiers. The French contingont arrived at Vera Cruz at the same time.

A friend writes us that General Prim's voyage was a most pleasant one. He says:—'The flags of England, France and Spain now wave over the city of Vera Cruz.' Three thousand of the allies are preparing to make an advance into the interior, to open the way of communication from Vera Cruz to the places not yet occupied.

The accounts published in different parts of the Havana papers point to the fact that the Mexicans are going to resist their invaders to the unous extent of their ability.

Prisoners Released from Fort Warren. Prisoners Released from Fort Warren.
The following persons were released from Fort Warren
on the 20th inst., and departed for the South that night:—
D. A. Forrest, of Virginis; W. H. Ward, of Virginis; H. B.
Claiberne, of New Orleans, and A. D. Wharton, of Tennessee. Two of them were officers in the rebel army, and had their swords with them.

Charles Berkeley, of New Orleans, came to this city from Fort Warren on the 20th inst. He was in custody of a New York officer, and is to be used as a witness in a case concerning a vessel of which he was the master.

THE BATTLE AT MILL SPRING.

Order of the Day of the President.

Additional Details of the Brilliant Affair.

The Union Loss Thirty-Nine Killed and One Hundred and Fifty Wounded.

GEN. THOMAS IN PURSUIT OF THE ENEMY.

The Rebel Zollicoffer's Position Before the Battle,

GENERAL ORDER IN RESPECT TO THE BAT-TLE OF MILL SPRING.

The following General Order of the War Department un der the new administration is a just tribute to the gal lastry of our army in Eastern Kentucky :-

HEADQUARTERS OF THE ARMY, ADJUTANT GENERAL'S OFFICE, WASHINGTON, Jan. 22, 1862.

The following orders received from the War Department are published to the army:-

The President, Commander-in-Chief of the Army and Navy, has received information of a brilliant victory achieved by the United States forces over a large body of Kentucky. He returns thanks to the gallant officers and soldiers who won that victory, and when the official reports shall be received the military skill and personal valor displayed in battle will be acknowledged and rewarded in a fitting manner. The courage that encountered and vanquished the greatly superior numbers of the rebel force, pursued and attaked them in their intrenchments, and paused to pursue and destroy a rebellious enemy and to deliver the country from danger. Menaced by traitors, alacrity, rageous spirit and patriotic zeal on all ocea, under every circumstance are expected from the army of the United States. In the prompt and spirited movements and daring at the battle of Mill Spring, the nation will realize its hopes, and the people of the United States will ments, or in the blaze of the enemy's fire. By order of the

President. EDWIN M. STANTON, Secretary of War. OFFICIAL ANNOUNCEMENT OF THE VIC-

The following was received at headquarters to-night:-LOUISVILLE, Jan. 22, 1862. TO MAJOR GENERAL MCCLELLAN, COMMANDING U. S. A.

Thomas:—
The rout of the enemy was complete. After succeeding in getting two pieces of artillery across the river and upwards of fifty wagons, they was absoluted with all the ammunition in the depot i were about loned with all the ammunition in the depot in Mill Spring. They then threw away their arms and of Monticello, but are so completely demoralized that I do not believe they will make a stand short of Tennessee. great value, amounting to eight six-pounders and two one hundred four-horse wagons, and upwards of 1,200 horses and mules, several boxes of arms which had never been opened, and from 500 to 1,000 muskets, mostly with flint locks, but in good order; subsistence stores enough

amount of hospital stores. manders I will furnish a detailed report of the battle.

Our loss was thirty-nine killed and 127 wounded. Ohio, commanding a brigade, and his Aid, Lieutenant

The loss of the rebels was Zollicoffer and 114 others not wounded, five of whom are surgeons, and Lieutenan Colonel Carter, of the Seventeenth Tennessee regiment, D. C. RUELL. Brigadier General Commanding.

ADDITIONAL PARTICULARS OF THE BATTLE

Cincinnati, Jan. 22, 1862. The Louisville Journal of yesterday says that twelve cannon were captured at Somerset, and thinks that the rebel army cannot escape, as from seven to ten Union some days since to intercept their retreat. Unless they divide into squads and find their way into Tennessee by nfrequented paths they must all be entrapped.

A letter to the Commercial of the 19th inst, says that General Zollicoffer is said to have been killed by Colonel Frye of the Fourth Kentucky regiment.

We have taken many prisoners.

The loval Tennesseeans fought like tigers, and have

The Ninth Ohio regiment is badly cut up.

The Tennesseeans took one battery at the point of the

A private despatch from Somerset says that Colonel McCook, of the Ninth Ohio regiment, was wounded in the recent battle. Three balls struck his horse, a fourth passed through his overcoat and a fifth bit him. The

The entire Union loss in the late battle is thirty-nine

killed and one hundred and fifty wounded. General Thomas' forces took fourteen cannon and 1,400 General Thomas is across the river, in pursuit of the

heir retreat were burned by them. The remaining barges were used by the Union troops.

The prisoners say that George B. Crittenden was first in command, and General Zollicoffer second. General Crittenden fled to the woods, taking the wrong road. It is supposed he will be captured. The federal forces actively engaged were the Tenth In.

diana, Fourth Kentucky, Fecond Minnesota and Ninth Ohlo regiments. They suffered respectively as named. They were reinforced after the first and severest engagement by the Tenth and Twelfth Kentucky, First and Se-Thirty sixth Ohlo regiments, and Standart's, Whitmore's at ten thousand. Green C. Clay, of Bourbon county, son of Brutus Clay, aid to General Schoepff, but with General Thomas in the engagement, has just arrived, bringing an elegant silk robel flag, inscribed "Presented to the Mountain Rangers, Captain F. A. Ashford, by Mrs. W. D. Chardevoyne. Colonel S. S. Fry, of the Fourth Kentucky, had his horse shot from under him by one of Zollikoffer's aids, when he turned and shot General Zollicoffer through the left breast.

The first breaking of the rebel ranks was effected by Col. R. S. McCook, of the Ninth Ohio, Acting Brigadier, ordering his regiment to charge bayonets, which put the

The last order issued found in the rebel camp was signed by Col. Cummins, senior in command, directing the ebels to disperse and save themselves the best way they

crossed the Cumberland and is hunting the flying rebe

RRIGADIER GENERAL THOMAS In the biographical sketch of Brigadier General Georg

June last he led his brigade across the Potomac first, &c This is an error. The Fourth brigade, commanded by Col Dixon S. Miles, unsupported by cavalry or artillery, were the first troops that crossed into Virginia at Williams-port. But the victory at Somerset is due to the skill and energy of General Thomas, who is conceded by army officers to be one of the most accomplished officers in the regular army. It is unequivocally his triumph, and to him belongs the meed of praise.

THE COMMANDER OF THE EIGHTEENTH UNITED STATES INFANTRY AT SOMER-

In the reports of the recent battle and brilliant victor at Somerset we find mention made of the Eighteent regiment of United States infantry. In our yesterday's issue we gave a list of the officers of that regiment; but as the Colonel had been appointed an Acting Brigadier General, the command devolved on the Lieutenant Co SKETCH OF LIEUT. COL. SHEPHERD.

Lieutenant Colonel Oliver Lathrop Shepherd was born in Saratoga, and is a native and citizen of this State. He entered the Military Academy at West Point in the year 1836, and graduated July 1, 1840, when he was appointed the Fourth infantry. In October of the same year he which rank he held until November, 1845, when he was promoted to a First Lieutenantcy. He served in Florida in Mexico during the Mexican campaign, and was brevetted Captain for gallant and meritorious conduct in the battles of Contreras and Churubusco, his brevet bearing date August 20, 1847. He was in the battle of Chepultepec, dating from September 13. 1847. In December, 1847, he was appointed Captain of his regiment, which rank he held at the breaking out of the present rebellion. During the interval he has held posts and expeditions on the Indian frontier of New Mexico and Texas, and during the past year was con nected with the Mustering Board of Officers in this city When authority was given for the organization of new regular regiments be was appointed at the extra session of Congress the Lieutenant Colonel of the Eighteenth

ZOLLICOFFER'S ARMY BEFORE THE BATTLE.

commission bearing date May 14, 1861.

COLLICOFFER'S ARMY BEFORE THE BATTLE. [From the correspondence of Cincinnati Cummercial.] From the different rumors dying about, now of one move, now of another, of the enemy, it would seem that old Zolly was rather in a quandary—a brown study—or a bad fix, for which it would be advisable to extricate himself soon, if not sooner. The old gentleman begins to smell a large sixed mouse; there is something wrong somewhere; there are altogether too many men getting behind him which do not belong to his side of the house; and may be be believes that if blue belied Yankces could encompass him round about with about three times as large a force as his own, that they would attack him. Now Mr. Zollicoffer is too old a fox to get caught in a trap he set himself. His position on the Cumberland, at the mouth of White Oak creek, was a natural fortitied place, and not comestable from the north side of the river, on the main road from somersette Monticelle: but whether he is going to take up a permanent position there, or whether he is already making a backward move through Monticello, is not deminialy known.

The report that Zollicoffer was crossing the Big South Fork, and aiming to get lack to Cumberland Gap, turns out to be false. Though he might cross the Big South Fork, and aiming to get lack to Cumberland Gap, turns out to be false. Though he might cross the Big South Fork, and aiming to get lack to Cumberland Gap, our any other river, and go to Cumberland Gap, our any other river, and go to Cumberland Gap, turns out to be false. Though he might cross the Big South Fork, or any other river, and go to Cumberland Gap, turns out to be false. Though he might cross the Big South Fork, and aiming to get lack to Cumberland Gap, turns out to be false. Though he might cross the Big South Fork, or any other river, and go to Cumberland Gap or any other river, and go to Cumberland Gap or any other gray and we would find stir hand or foot to interrupt him, nor to go after him until he had taken up a strong position and fortified it.

don't like to throw stones.

I have just seen a man who lives within a mile of Zellisoffer's encampment; he is still in his original position, with about 10,000 men, all told, remiorcements and all, sick included—and there are a great many of his men sick. The man who brought this news is a reliable man, and one who fed many of the Tennesseeans when they first came to Kentucky.

NEWS FROM CENTRAL KENTUCKY.

MOVEMENTS OF GENERAL BUELL

MOVEMENTS OF GENERAL BUELL.
[From the correspondence of the Toleto Blade.]

The bridge across Green river being finished, and the increaced energy and busy aspect of every deportment, together with movements that are fast developing themselves, indicate a forward movement very so a. You need not be surprised any day to hear that General Buell has taken the field in person. When he does, if he and General Halleck act in concert, the rebeis will have a "mortality list" along their whole line from the Mississippi eastward. The next month promises warm work in this State.

sippi ensiward. The next month promises warm work in this State.

General Hindman's troops have destroyed Cave City and all the houses, barns, cattle not fit for beef and everything else in the vicinity that might be useful to eur troops as they advance, and are reported to be falling back on fowling Green. This looks as if the rebels expect an immediate advance, and are not prepared to dispute it this side of their stronghold.

A few hights since there were indications of an attack by the rebels upon our advance at Green river. Everything was in readiness for them. General Buell went down on an extra train, and regiments were mived up to the front lively. It proved a fake alarm, but it showed the readiness and eagerness of our forces for a fight.

The intelligence of the dispersion of Humphrey Marsha I's rebel horde, in Eastern Kentucky, by the federals under Col. Garfield, gives intense sarisfaction here, and which can be hightened only by the capture of the fat Humphrey himself, by the cavalry sent in pursuit of his flying followers. This affair clears the rebels from Eastern Kentucky, and a force will remain there to keep them out.

THE REBEL NEGRO REGIMENT UNDER A. SJOHNSTON.

[From the correspondence of Cincinnati Times.]

MENFORMENTILE, Jan. 16, 1862.

Ten contrabands, all maies, arrived here last night from Bowling Green. They have been several days making their escape, and compose the part of a large party, all of which left at the same time. They made their way to our pickets last evening, and after undergoing examination at the outposts were brought to beadquarters. I had a conversation with one of them, an intelligent young mulatto. He says that for two or three weeks the rebels have been sending on all the colored people they can find, and that a great number is new at Bowling Green. They take whole families, without respect to age or sex.

young mulatto. He says that for two or three weeks the rebels have been sending on all the colored people they can find, and that a great number is new at Bowling Green. They take whole families, without respect to age or sex.

The women are put into the hospitals as nurses and washerwomen. The stouter children are put to work in various ways, the best men taken as soldiers, and the rest employed as servants and laberers. Nearly all of these slaves have been taken for cibly from their masters. Numbers of them have been run Seuth and sold for the benefit of the Southern confederacy. He says there are fully a thousand at Bowling Green awaiting an opportunity to encape, some to our lines, and others to their masters. On their way here, this party were frequently aided by Union men, some of whom had been robbed of their slaves. They all represent the distress and desolation at Rowling Green, and through the surrounding country, as frightful.

Having pressed nearly all the negroes into the service, the rebels have now commenced on the white people. It was a condition of Kentucky's admission into the Southern confederacy that she furnish twenty five thousand troops. The provisional State government has called for that number, and getting no volunteers, has resorted to impressment. Citizens are seized in their houses, on the roads, or wherever found, and carried at the point of the bayonet to Bowling Green, where they are enrolled in the service of the Confederate govern ment.

The Weather at the East.

PORTLAND, Me., Jan. 22—11 P. M.
It is snowing here to night,
The North American, from Liverpool 9th, via Londonderry 10th, is not yet signalized

NEWS FROM WASHINGTON.

Important Financial Measure Presented to Congress.

One .Hundred Millions of Demand Treasury Notes to be Issued.

Five Hundred Millions of Six Per Cent Bonds Authorized.

Forty-Eight and a Half Million Dollars Required for the Naval Service.

INTERESTING DEBATES IN CONGRESS.

Speech of Mr. Stevens, of Pennsylvania, in Favor of Arming the Slaves.

Remarks of Senator Davis, of Kentucky, in Regard to the Expulsion of Senator Bright,

WASHINGTON, Jan. 22, 1862.

The following are the main points of the bill reported today from the Committee of Ways and Means providing for an issue of demand Treasury notes:-

The first section provides for the issue of one h and making them a legal tender in payment for all debts, public and private, and applying the same to the fifty millions previously authorized under the act dred and fifty millions of legal tender notes, convertible at the option of the holder into six per cent bonds of the United States, and receivable the same as

coin in any negotiations by the Treasury Department. The second section provides for an issue of five hundred millions of twenty years' six per cent bends, which are to be used in the payment of the floating debt of the United States and for funding the Treasury notes autho

The Secretary of the Tressury examined the bill and approved its passage. The bill has been referred to the Committee of the Whole on the State of the Union, and made the special order for Tuesday next, at one o'clock.

Annexed is given a more comprehensive synopsis of the provisions of this important measure:-

The bill provides that, for temporary purposes, the Secretary of the Treasury is authorized to issue, on the credit of the United States, one hundred millions of delpars of United States notes, not bearing interest, payable Treasurer in the city of New York, at the pleasure of the United States, and of such denominations as he may deem expedient, not less than five dollars each; and such notes, and all other United States notes, payable on demand, not bearing interest, heretofere authorised, shall be receivable for all debts and demands due to the United States, and for all minrios, debts and demands owing by the United States to individuals corporations and associations within the United States and shall also be havely money and a legal tender in payment of all debts public and release within the United States. meat of all debts, public and private, within the United States, and any holder of said United States notes de, positing any sum not less than fifty deliars or other than a multiple with the Treasurer of the United States of nated depositories at Cincinnati or Baltimere, shall receive in exchange therefor duplicate certificates of de-posit, one of which may be transmitted to the Secretary of the Treasury, who shall thereupon issue to the holder an equal amount in bonds of the United States, coupen or registered, as may desired, bearing interest at the rate six per cent, and redeemable at the pleasure of the Secretary, if he deem it expedient, may issue sim bends, the principal and interest of which may be ex-pressed in the currency of any foreign country, and reived the same as coin, at their par value, in payment

act the following words:-"The within note is a legal tenchangeable for bonds of the United States, bearing six per cent interest."

Treasury notes and floating debt of the United States, he is authorized to issue, on the credit of the United States, coupon bonds, or registered bonds, to an amount not exable at the pleasure of the government after twenty years from date, and bearing interest at the rate or six per cent per annum, payable semi-annually, and the bonds herein authorized shall be of such denomination not less than fifty dollars, as may be determined upon by the Secretary of the Treasury, or in sums not less than twenty-five hundred dolit expedient, may issue similar bonds, the principal and interest of which may be expressed in the currency of

any foreign country, and payable there.

The Secretary is authorized to issue said bonds at their par value to any creditor or creditors of the United States who may elect to receive them in satisfaction of their demands; provided, that all such claims or demands shall have been first audited and settled by the proper accounting officers of the Treachange such bonds at any time for lawful me United States, or for any of the Treasury notes that have been or may bereafter be issued under any former act of Congress, or that may be issued under the provisions of

The United States notes and bonds authorized by this act, or that have been heretofore authorized, shall be signed by the Treasurer of the United States, or for the Treasurer by such persons as may be specifically ap-pointed by the Secretary of the Treasury for such purpose, and shall be countersigned by the Registrar of the Treasury or for the Registrar by such persons as the Secretary of the Treasury may specially appoint for such purpose, and all the provisions of the act entitled "An act to authorize the issue of Treasury notes," approved on the 23d day of December, 1867, so far as they can be applied to this enacted, and the sum of \$300,000 is appropriated to enable the Secretary of the Treasury to carry this act into

mittee of Ways and Means is the tax and bank bills. They hope to be able to report the tax and bank bills at the same time the Treasury Note bill is taken up for con-

THE BUSINESS OF THE WAR DEPARTMENT The following is a copy of the placard posted on th

WAR DEPARTMENT, Jan. 1, 1862.
It is ordered that the War Department will be close ICONTINUED ON EIGHTH PAGE.